

Sample article for organizations to use to reach customers

Provide the following article on your website to help your customers find options for paying their federal tax.

What every student should know about summer jobs and taxes

Do you have a summer job during your time off from school? Do you know that you have to pay tax on the money you're earning from that job? Here are a few tips about earning money and paying taxes.

- Be sure you fill out Form W-4, *Employee's Withholding Allowance Certificate*. Your boss uses this form to determine the amount of tax to withhold from your paycheck. If you have more than one job, you should make sure all your employers are withholding enough taxes to cover your total income tax liability. To make sure your withholding is correct, visit the [IRS Withholding Calculator](#) on IRS.gov.
- When figuring how much income to report, include all the money you earned while working. This usually means wages, salaries and tips.
- In some jobs, like waiting tables, you may receive tips from customers. Tips are considered income, just like your hourly wages. Therefore, you must pay tax on them. This includes tips customers give you directly, tips customers charge on credit cards and your share of the tips you split with your co-workers. For more information about reporting your tips, read [Publication 531, Reporting Tip Income](#).
- Are you doing odd jobs like babysitting and lawn mowing? These jobs are considered self-employment, and the money you earn is taxable.
- If you have *net income** of \$400 or more from self-employment, you will have to pay self-employment tax. This tax pays for your benefits under the Social Security system. Social Security and Medicare benefits are available to individuals who are self-employed, the same as they are to wage earners who have these taxes withheld from their wages. The self-employment tax is figured on [Form 1040, Schedule SE](#).

***Net income** is the money you earned after any deductions—such as taxes, expenses or promotions—have been subtracted.

- If you are in the Reserve Officer Training Corps and participated in advanced training for ROTC, the subsistence allowance you received is **not** taxable. However, active duty pay — such as pay received during summer advanced camp — **is** taxable.
- Generally, newspaper carriers or distributors under age 18 are not subject to self-employment tax. See the special rules that apply to services you perform as a newspaper carrier or distributor if you are considered a direct seller and should be treated as self-employed for federal tax purposes.

To learn more about taxes, including how you might qualify for a tax credit to pay for college, visit [Tax Information for Students](#) on IRS.gov.

NOTE TO EDITOR: Below are links to IRS.gov information and publications about what students should know about paying taxes on the income they earn from summer jobs.

IRS.gov

- [Taxable income for students](#)
- [Seven tips for students with a summer job](#)
- [Tax Information for Students](#)
- [IRS Withholding Calculator](#)

Forms and Publications

- [Publication 525, *Taxable and Nontaxable Income*](#)
- [Form 1040, Schedule SE, *Self-Employment Tax*](#)